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S E C R E T SECTION 01 OF 03 BAGHDAD 000486

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TAGS: PREL PGOV IZ
SUBJECT: ZEBARI PESSIMISTIC ABOUT KOSOVO RECOGNITION;

DOWNBEAT ABOUT SFA PREPARATIONS

REF: E-MAIL - HALE TO CROCKER/TUELLER - 10 FEB 2008

Classified By: Ambassador Ryan C. Crocker for Reasons 1.4(b) and (d).

(C) SUMMARY. In a February 16 meeting, Foreign Minster Zebari told Ambassador Crocker he pushed visiting UNHCR High Representative Guterres to expand UNHCR's Baghdad office and to stress positive developments in Iraq. The $\operatorname{GOI/GOR}$ MOU Zebari signed in Moscow provides no preferential treatment for Russian firms or investors, but Zebari promised the Russians the GOI would establish a technical commission to review the validity of Saddam-era contacts. Despite a favorable recommendation from the MFA, President Talabani and Prime Minister Maliki will likely oppose recognition of Kosovo independence. (The Cabinet February 19 decided to await an Arab League/OIC position before taking action.) On the never-ending UNHCR pledge issue, Zebari suggested Prime Minister Maliki is preventing the USD 8 million transfer to Jordan, although the Jordanians are not making the process easy either. Zebari painted a disheartening picture of GOI Strategic Framework Agreement preparations, describing the GOI as "lost" in the run up to the February 27 start date. Attracting more Arab Embassies to Baghdad is the centerpiece of the MFA's 2008 strategic plan, but Zebari thinks key Arab states will hedge until the U.S. presidential elections are over and then will only follow the Saudi lead. Syria indicated that it is ready to host the Border Security Working Group at the beginning of March, but Zebari had no information about the Amman Refugee Working Group, which he described as a more delicate matter. Zebari believes the December NIE has blunted any Iranian sense of urgency about the trilat and that the GOI and the USG should ignore them until they show an increased willingness to cooperate. END SUMMARY.

UNHCR HIGH COMMISSIONER VIST -- MORE PROFESSIONAL STAFF NEEDED

¶2. (C) In his meeting with visiting UNHCR High Commissioner Guterres, Foreign Minister Zebari pressed him to expand UNHCR's Baghdad office from two International Staff to five and to emphasize progress on refugee issues and security gains throughout Iraq. The two also touched on Makhmour refugee camp issues which Zebari expects Guterres will discuss with KRG representatives during his side-trip to Erbil. Ambassador Crocker pointed out that the international staff issue was crucial because the Iraqi Ministry of Displacement and Migration remained weak and required whatever capacity support UNHCR could provide.

MOSCOW VISIT -- NEW TONE FROM GOR

(C) Zebari said he had a good visit to Moscow, and pointed out that it capped four years of GOI debt reduction The MOU the GOI and GOR signed provided Russian firms with no preferential treatment. Validity of contracts concluded with the Saddam regime was a sore point and the GOR initially insisted that Zebari sign ministerial minutes recognizing their validity. Zebari refused, but offered to establish a technical commission to review them, while stressing that, in his opinion, the Lukoil deal was dead. Nevertheless, Zebari invited the Chairman of Lukoil to visit Baghdad and credited his Russian interlocutors with a new tone, which he attributed to a growing realization within the GOR that the GOI was "here to stay and must be dealt with." After having opened their consulate in Erbil, the Russians also expressed interest in re-opening their consulate in Basrah.

KOSOVO -- TALABANI OPPOSED TO RECOGNITION

14. (C) Zebari said that the MFA had forwarded to the Presidency and the Prime Minister's Office a recommendation that the GOI follow the USG lead and recognize Kosovo when it declares independence. Neither Talabani, nor the Prime Minister appeared in favor, with Talabani going so far as to call it a choice between siding with either Russia or the United States. Zebari argued that if that were the case, the GOI position should be clear. Recognition of Kosovo would also keep Iraq squarely in line with Saudi Arabia and other Arab countries. Ambassador Crocker said he did not understand what objections the President and Prime Minister could muster for an independent Muslim state in Europe, and particularly one that had suffered as much as Kosovo. Zebari was clear that the decision was not his to make and appeared doubtful the GOI would follow the USG lead.

UNHCR PLEDGE -- PM HEDGING (AGAIN)

15. (C) Ambassador Crocker outlined the "check-pass" scheme (ref. e-mail), and mentioned it had King Abdullah's blessing.

BAGHDAD 00000486 002 OF 003

Zebari said the GOI had proposed the same mechanism to the Jordanians, then backtracked on his previous position (reftel) by suggesting "he needed a word from Prime Minister Maliki" to move forward. The deal apparently rests on Zebari's assuring the PM that the check will go to the Jordanian Government. A slightly frustrated Ambassador asked whether Zebari could get the PM to sign-off and Zebari promised to speak to him.

SFA NEGOTIATIONS -- GOI LOST -- IRAN EVERYWHERE

16. (C) Zebari volunteered that the structure of the GOI SFA team changes every day and that the GOI "was lost" in the run-up to the February 27 start date. On a more positive note, he mentioned GOI SFA team-members were reviewing USG SOFAs concluded with other countries. Zebari foresees a difficult process, and is certain Iran will attempt to influence the outcome, adding "the Iranian spirit is everywhere." Although he suggested the initiative originated in another part of the Iraqi Government, he confirmed the GOI has retained the services of an American law firm to assist with SFA negotiations. Zebari promised to provide Ambassador Crocker a package including delegation members, meeting times and venues.

IRAN TRILAT

17. (C) Zebari maintained that the Iranians backed out of the February 15 talks because of the February 12 assassination in Damascus of Hezbollah leader Imad Mughniyah. (Note: A clearly delighted Zebari called the assassination "great," and poked fun at an Iranian proposal, initially accepted then rejected by the SARG, that the two countries conduct a joint investigation into the incident. End note.) Zebari assessed that December's National Intelligence Estimate blunted any sense of urgency the Iranians may previously have felt about the trilat, and concluded Iran is not interested and should be ignored until it requests a new date.

18. (S/NF) While the USG would prefer that President Ahmedinejad's visit "not be the state visit of the century" Ambassador Crocker noted that it was a normal thing for an Iranian President to visit Iraq. Zebari described a significantly scaled-down overnight trip involving a single stop in Najaf. Ambassador Crocker stressed that the USG hopes that the GOI will use the trip "to engage President Ahmedinejad in serious discussions about the nature of Iraq/Iran relations." The GOI must also ensure it presents the Iranians with a coordinated message. Zebari agreed and added with great emphasis that in a recent meeting, Grand Ayatollah Ali Sistani (whom Ahmedinejad is scheduled to see) cautioned President Talabani to "beware of your neighbors. Referring to Hormat Farughi, an IRGC-QF officer Iran has been attempting to re-infiltrate into Iraq under diplomatic cover provided by its consulate in Suleimaniyah, Zebari promised to continue forwarding names for USG vetting. Zebari has raised the issue with President Talabani and emphasized that the MFA will not agree to IRGC-QF personnel serving as diplomats in Iraq.

EXPERTS-LEVEL TALKS IN TEHRAN RE: SHATT AL ARAB

¶9. (C) Deputy Foreign Minister Haj Hamoud will travel to Tehran on February 18 at the head of an inter-ministerial working group to engage the Iranians on Shatt al Arab issues. The main sticking point remains Iranian insistence on using the 1975 Algiers Accords as the starting point for discussions. Zebari dodged Ambassador Crocker's question whether the Iranians would discuss the waterway's status without reference to the 1975 Accords, saying only that the Iranians "wanted to talk."

ARAB EMBASSIES -- INCREASED EUROPEAN INVOLVEMENT IN IRAQ

110. (C) Zebari confirmed that encouraging more Arab countries to establish diplomatic presences in Baghdad was the centerpiece of the MFA's 2008 strategic plan, but immediately hedged by saying that key countries like the KSA, Kuwait and Egypt would probably defer final decisions until after U.S. presidential elections. Zebari maintains consistently that the Saudis are the hinge; the KSA flag is the only one other Arab countries will follow into Baghdad. Ambassador Crocker emphasized that all Arab countries have their own interests in Iraq and were missing opportunities by not normalizing diplomatic relations. Deputy Foreign Minister Mohammad Haj Hamoud noted the Kuwaitis recently indicated they might scale back 1991 War Compensation demands. The breakthrough came through the good offices of

BAGHDAD 00000486 003 OF 003

our Geneva Mission and Haj Hamoud asked that we assist to arrange a further trilat to pursue discussions. The Kuwaitis are also interested in re-opening their consulate in Basrah. Zebari added that an Arab League delegation led by Deputy Secretary General Ahmed Ben Hilli will visit Baghdad on

SIPDIS

February 25 to set the groundwork for reconciliation talks, and may also discuss representation issues generally.

111. (C) Ambassador Crocker asked Zebari to encourage increased European engagement in Iraq and suggested France hosting the upcoming International Compact with Iraq conference would signal European recognition that a "new day in Iraq" had arrived. Zebari balked, explaining that Deputy Prime Minister Barham Saleh had already floated the idea without success. To Ambassador Crocker's prompt for other candidates, Zebari thought the Dutch or the Spaniards ("following in the spirit of the Madrid Donors Conference") might be open to the idea.

12. (C) Zebari reported that the SARG wanted to hold the Border Security Working Group in Damascus at the beginning of March but had no information on the Amman Refugee Working Group, referring to it as a "more delicate" matter. CROCKER